HAL has signed a contract with Israel Aircraft Industries (IAI) in November 2004 for supply of one Dhruv Helicopter to Israel on lease.

(b) Presently, the contract with IAI, Israel is for leasing of one Dhruv Helicopter. Israel has accepted the condition that the Dhruv will be used only for transportation purposes and not for military operation within the sovereign territories of the State of Israel.

Reforms in textile sector

*219. SHRI MOOLCHAND MEENA: Will the Minister of TEXTILES be pleased to state:

(a) whether according to study conducted by Association of Chambers of Commerce and Industry cautioned that country needs to introduce massive reforms and modernisation drive for its textile sector failing which China and Pakistan will deprive India of its existing market share of textile exports in the overseas market;

(b) if so, whether study report also point out that US, European Union, Canada, Russia, Japan etc. are top importers of Indian textiles goods and other markets are also to be explored;

(c) if so, whether Government have examined the report; and

(d) what action has been taken to introduce reforms and modernisation?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): (a) to (c) The Associated Chambers of Commerce and Industry of India (ASSOCHAM) has conducted a study on 'Textile Sector of India: Strengths, Weaknesses, Opportunities and Threats in Post Quota Regime'. The study concludes that MFA phase out could bring a huge increase in India's annual exports and make it the big winner in the global market, after China. This breakthrough will occur, however, only if the Government accelerates the pace of reform and local manufacturers adopt measures to improve their competitiveness. With reforms, India can achieve a potential size of 100 billion US dollar by 2010 including 50 billion dollars domestic market and 50 billion dollars export. This would also create 10 million job opportunities, 5 million direct jobs in textile industry and 5 million jobs in allied sectors.

(d) Government has been taking a number of steps from time to time to enable Indian textile industry to improve their competitiveness to meet the emerging global competition. Some of the important initiatives taken are:

(i) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of the sector.

(ii) The imports of specified textiles and garment machinery items has been allowed at concessional rate of customs duty to encourage investments and to make our textile products competitive in the global market. The cost of machinery has also been reduced through fiscal policy measures.

(iii) To improve the productivity and quality of cotton, Government has launched Technology Mission on Cotton (TMC). The mission comprises four minimissions, which are being jointly implemented by the Ministry of Agriculture and Ministry of Textiles. One of the important ingredients of the Mission is for upgrading/modernizing the existing ginning and pressing facilities and setting up of new market yards/improvement of existing market yards.

(iv) The Government has launched a centrally sponsored scheme titled "Apparel Park for Export Scheme" for setting up of apparel manufacturing units of international standards at potential growth centres to give a fillip to exports.

(v) For upgrading infrastructure facilities at important textile centres, a scheme titled "Textile Centre Infrastructure Development Scheme" (TCIDS) has been launched.

(vi) The fiscal duty structure has been generally rationalised to achieve growth and maximum value addition. Except for mandatory excise duty on polyester filament yarn, synthetic and artificial fibres and synthetic and artificial filament yarns, the whole value addition chain including cotton textile and cotton clothing items has been given excise exemption option. Additional Excise Duty on Textiles & Textile Articles (AT&T) and Additional Excise Duty (Goods of Special Importance) Act have been abolished.

(vii) The Government has de-reserved the woven segment of readymade garment from the SSI sector. It has also raised the SSI investment limit for knitted segment to Rs. 5 crores. In the Union Budget 2005-06, an announcement has been made for de-reservation of 30 hosiery items from the SSI.